

Message Text

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PAGE 01 MANILA 05517 141117Z
ACTION AGRE-00

INFO OCT-01 EA-07 ISO-00 EB-08 COME-00 OMB-01 TRSE-00

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FM AMEMBASSY MANILA
TO SECSTATE WASHDC 8393

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PASS USDA

E O 11652: GDS

TAGS: EAGR, RP

SUBJ: SUGAR: GREAT WESTERN CONTINUES NEGOTIATIONS

REF: A. MANILA 2010, B. MANILA 4599

1. DR. KENNETH DUBROVIN, GREAT WESTERN SUGAR CO. REP IN MANILA, ARRIVED HERE YESTERDAY AFTER A TWO WEEK VACATION AND BUSINESS TRIP TO DENVER. DUBROVIN WAS FOLLOWED LAST NIGHT BY THREE GREAT WESTERN EXECUTIVES WHO ARRIVED TO RENEGOTIATE THE FIRM'S FIVE-YEAR PARTICIPATING CONTRACT WITH THE PHILIPPINES. THE DELEGATION WILL BE HEADED BY JIM L. MARK, EXECUTIVE VICE PRESIDENT. OTHER MEMBERS ARE DAVID E. CRANDALL, SENIOR VICE PRESIDENT AND ORLANDO CAMEJO, VICE PRESIDENT. THE DELEGATION PLANS TO RETURN TO THE U.S. ON SATURDAY, APRIL 16.

2. THE GREAT WESTERN DELEGATION IS THE SECOND SENT HERE THIS YEAR TO DISCUSS RENEGOTIATION OF THE PARTICIPATING CONTRACT, AND IT REMAINS UNCERTAIN WHETHER THIS TRIP WILL BE MORE SUCCESSFUL THAN THE LAST (SEE REF A). THE MAN WHO NORMALLY HEADS THE PHILIPPINE DELEGATION IN THESE TALKS, PANFILO O. DOMINGO, PRESIDENT OF THE PHILIPPINE NATIONAL BANK (PNB) IS CURRENTLY IN BRUSSELS ALONG WITH HIS CHIEF

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PAGE 02 MANILA 05517 141117Z

ASSISTANT FOR SUGAR, VICE PRESIDENT ARTURO TRINIDAD. THE GW DELEGATION WAS GIVEN THE GREEN LIGHT FOR THE NEGOTIATIONS BY ATTORNEY BERT SABIDO, WHO HAS BEEN SERVING AS SOMETIME INTERMEDIARY BETWEEN PRESIDENT MARCOS AND GW (AND SURCREST AS WELL, FOR THAT MATTER).

3. GW DELEGATION HAS DECIDED TO DEVOTE TWO DAYS TO RENEGO-

TIATIONS OF CONTRACT BUT NO MORE. RELATIONS BETWEEN GW AND PHILIPPINE GOVERNMENT HAVE COOLED CONSIDERABLY SINCE ADVENT OF GW'S DIFFICULTIES IN COLLECTING REBATED DUE ON ADVANCE PAYMENTS (REPORTED REF B). ALTHOUGH SABIDO, PRESUMABLY SPEAKING FOR PRESIDENT MARCOS, GUARANTEED GW OVER TWO WEKS AGO THAT \$600,000 ARREARS WOULD BE PAID, PAYMENT HAS STILL NOT BEEN FORTHCOMING. IN ADDITION, PHIL EXCHANGE REPS ARE NOW SAYING THAT DOMINGO HAS CANCELED FURTHER SHIPMENTS UNDER ALL THREE PARTICIPATING CONTRACTS, REPORTEDLY BECAUSE THE CONTRACTS ARE NOT IN BEST INTEREST OF THE PHILIPPINES.

4. GW OFFICIALS ARE DISTURBED BY WHAT THEY REGARD AS ERRATIC (IF NOT DEVIOUS) BEHAVIOR OF GOP REPS AND, WHILE THE COMPANY LIKES THE PARTICIPATING CONTRACT, THERE IS GROWING UNCERTAINTY ABOUT ITS FUTURE. GW IS ADAMANTLY REFUSING TO OPEN L/C'S FOR ADDITIONAL SHIPMENTS UNTIL THEY ARE REFUNDED THE \$600,000 THE COMPANY IS OWED, AND HAS ALREADY ARRANGED TO REPLACE SUPPLIES OF PHILIPPINE SUGAR SCHEDULED FOR MONTHS OF MAY AND JUNE WITH U.S. SUGAR. EMBASSY WILL REPORT OUTCOME OF TALKS BETWEEN GOP AND GW.

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Message Attributes

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Copy: SINGLE
Sent Date: 14-Apr-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
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